Lahiri Committee Report on liberalisation of FII norms

2936. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether the Lahiri Committee Report on liberalised Foreign Institutional Investment (FII) norms has since been submitted to Government;

(b) if so, the details thereof;

(c) whether the Reserve Bank of India has expressed reservation on some of the recommendations of the Lahiri Committee and if so, the details thereof; and

(d) by when Government are likely to take final view on the Lahiri Committee recommendations and put them into operation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The report of the Expert Group on "Encouraging FII flows and checking the vulnerability of capital market to speculative flows" was submitted to the Government on 22nd November, 2005. RBI's nominee on the Expert Group has given a dissent note which is a part of the Report and *inter-alia* includes views on issues of Participatory Notes, ceiling on sub-amounts and level of investment in debt. The report has been put in the public domain on the website of the Ministry of Finance to encourage a public debate on the recommendations of the report. The Government would take a view on the report and the recommendations after wide public debate.

Hike in interest rates on post office deposits

2937. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any proposal to hike interest rates on short term and long term post office deposits;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) An Expert Committee on Administered

Interest Rates and Other Related Issues under the Chairmanship of Dr. Y.V. Reddy, the then Dy. Governor, RBI, in 2001 *inter alia*, had recommended that the interest rates on small savings schemes be benchmarked to the average yields on Government securities of comparable maturity in the secondary market. Government accepted this recommendations and revised the interest rates on these schemes with effect from 1.3.2002 and 1.3.2003. The rates have remained unchanged since 1.3.2003. There is no proposal under consideration of the Government to revise the rates upwards as on date.

Outstanding Loan of Account Holders

2938. SHRI R.K. ANAND: Will the Minister of FINANCE be pleased to state:

(a) whether there are 13000 borrowal accounts with more than Rs. 1 crore outstanding loan;

(b) if so, the name of such account holders with the amount due, time of issuing the loan and the issuing branch;

(c) why no action has been taken to recover these loans; and

(d) who are responsible for its recovery and whether action should be taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In accordance with the practices and usages customary amongst the banks and in conformity with provisions of statutes governing the financial institutions as also the provisions of the Public Financial Institutions (obligations as to Fidelity and Secrecy) Act, 1983, the information relating to individuals details of account holders cannot be divulged. However, Credit Information Bureau (India) Limited is maintaining a database on suit-filed accounts of Rs. 1 Crore and above and non suit-filed accounts (wilful defaulters) of Rs. 25 Lacs and above. The information can be accessed at CIBIL. website www.cibil.com.

(c) and (d) The banks take appropriate action to recover outstanding loans in accordance with their overall recovery policies, which, *inter-alia*, include regular follow up of loan accounts, filing of suits in civil courts/ DRTs, issue of notices under SARFAESI Act, 2002, compromise settlement